

EMPLOYER STATUS DETERMINATION  
Penn-Jersey Rail Line, Inc.

APR 14 1998

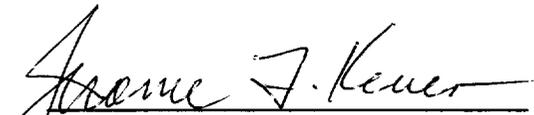
This is the determination of the Railroad Retirement Board concerning the status of Penn-Jersey Rail Line, Inc. (PENN) as an employer under the Railroad Retirement Act (R.A.) (45 U.S.C. § 231 et seq.) and the Railroad Unemployment Insurance Act (RUBIA) (45 U.S.C. §351 et seq.).

Information regarding PENN was provided by Jeffrey L. Sutch, President and Chief Executive Officer of PENN. PENN is owned by Mr. Sutch and Mr. Leonard J. Smolsky. In Surface Transportation Board (STB) Finance Docket No. 33414, decided June 17, 1997, the STB approved a notice of exemption for PENN to acquire from WMI Properties, Inc., and to operate as a common carrier, railroad lines starting at the turnout from the track of Consolidated Rail Corporation (Conrail) (B. A. No. 1321), at milepost 6.1, and extending for a total of 2.2 miles, all within the Penn Warner Industrial Park, Falls Township, Bucks County, Pennsylvania. PENN began operating on August 15, 1997.

According to Mr. Sutch, PENN has no employees, but uses employees from SMS Rail Service (SMS) (B.A. No. 3385), a sister company, "at this time." SMS is compensated by PENN for use of its employees. SMS is owned by Mr. Sutch and Mr. Smolsky. Mr. Sutch described PENN as a class III common carrier railroad operating 4 to 5 days per week. Penn serves 8 customers with approximate annual volume of traffic of 650 loads. PENN interchanges with Conrail.

Based on the information summarized above, the Board finds that PENN became a rail carrier employer under the Railroad Retirement Act and the Railroad Unemployment Insurance Act effective August 15, 1997, the beginning date of rail operations over its line of railroad .

  
V. M. Speakman, Jr.

  
Jerome F. Kever